

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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JUNE 22, 2004

FROM: **JUNE GRIFFITH-COLLISON**, Acting Director
 Arrowhead Regional Medical Center

SUBJECT: **AGREEMENT WITH ARROWHEAD PSYCHIATRIC MEDICAL GROUP**

RECOMMENDATION: Approve agreement with Arrowhead Psychiatric Medical Group to provide psychiatric and educational services at Arrowhead Regional Medical Center and its Behavioral Health Inpatient Unit for annual amount of \$3,750,000, effective July 1, 2004 through June 30, 2006, and to provide the services of an Interim Director of the County Department of Behavioral Health, effective June 8, 2004, until a permanent Director is appointed.

BACKGROUND INFORMATION: Approval of this item will allow the Arrowhead Regional Medical Center (Medical Center) to continue to provide psychiatric care and educational programs, and will allow Keith Gordon, MD, to act as the Interim Director of the County Behavioral Health Department. The term of this agreement is for two-years, effective July 1, 2004 through June 30, 2006, except for the Interim Director duties that are effective June 8, 2004, until such a time as the Board of Supervisors makes a permanent appointment.

The Arrowhead Psychiatric Medical Group (Corporation) has been providing psychiatric and educational services at Arrowhead Regional Medical Center since June 1999. The principal stockholder of this Corporation provides direct patient care, educational services, and is designated to serve as Chairman of the appropriate Clinical Department of the Medical Staff. In addition, due to the recent resignation of the Director of the County Behavioral Health Department, the principal stockholder of this corporation, Keith Gordon, MD, has agreed to act as the Interim Director of the County Behavioral Health Department until the recruitment process can be completed and a permanent Director appointed by the Board of Supervisors.

This Clinical Department appointment has been made in accordance with the Bylaws of the Medical Staff and with the approval of the Governing Body. This is in accordance with legal requirements and those of the Medical Center's other accrediting bodies. This is also in accordance with the academic affiliation agreements established between the Medical Center and the medical schools at Loma Linda University, University of California – Irvine, and Western University of Health Sciences. In addition, all physicians provided by the Corporation have been granted clinical privileges and are approved to serve in administrative roles in the same manner.

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AGREEMENT WITH ARROWHEAD PSYCHIATRIC MEDICAL GROUP**

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Designation of Keith Gordon, MD, as the Interim Director of the County Behavioral Health Department, which is effective June 8, 2004, necessitated a change to his contract to add these duties. Since it was necessary to add these new duties, the decision was made that it was more appropriate to finalize a new two-year agreement with this Corporation and bring it to the Board of Supervisors for approval at this time.

The designation of Keith Gordon, MD, as the Interim Director of the County Behavioral Health Department will not result in additional compensation to this Corporation for these services. However, the cost for providing required weekend psychiatric care coverage at the Medical Center has increased. As a result of this cost increase, it is necessary to increase the annual cost of this agreement by \$50,000, for an annual total of \$3,750,000.

The remaining agreements with medical professional corporations for the provision of medical and educational services at the Medical Center expire on June 30, 2004. The Medical Center is in the process of finalizing those agreements and will return to the Board for approval of these agreements prior to their expiration.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel, 387-5433) on June 9, 2004, and HSS Administration (Beatriz Valdez, Administrative Analyst) on June 10, 2004.

FINANCIAL IMPACT: This agreement is for a total annual amount of \$3,750,000. Due to the increased cost of providing required weekend psychiatric care coverage, it was necessary to increase the amount of this agreement by \$50,000 annually, which is effective July 1, 2004. Sufficient appropriations and revenue exist in the Medical Center's FY 2004/05 proposed budget to accommodate this increase.

COST REDUCTION REVIEW: The County Administrative Office recommends this action as it imposes no local county costs and these services are critical to the health, safety, and welfare of the Medical Center's patients.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: June Griffith-Collison, Acting Director, Arrowhead Regional Medical Center, 580-6150

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